

UNDERSTANDING THE BUDGET & YOUR GRANT AWARDS

MODULE TWO

2019



Introduction

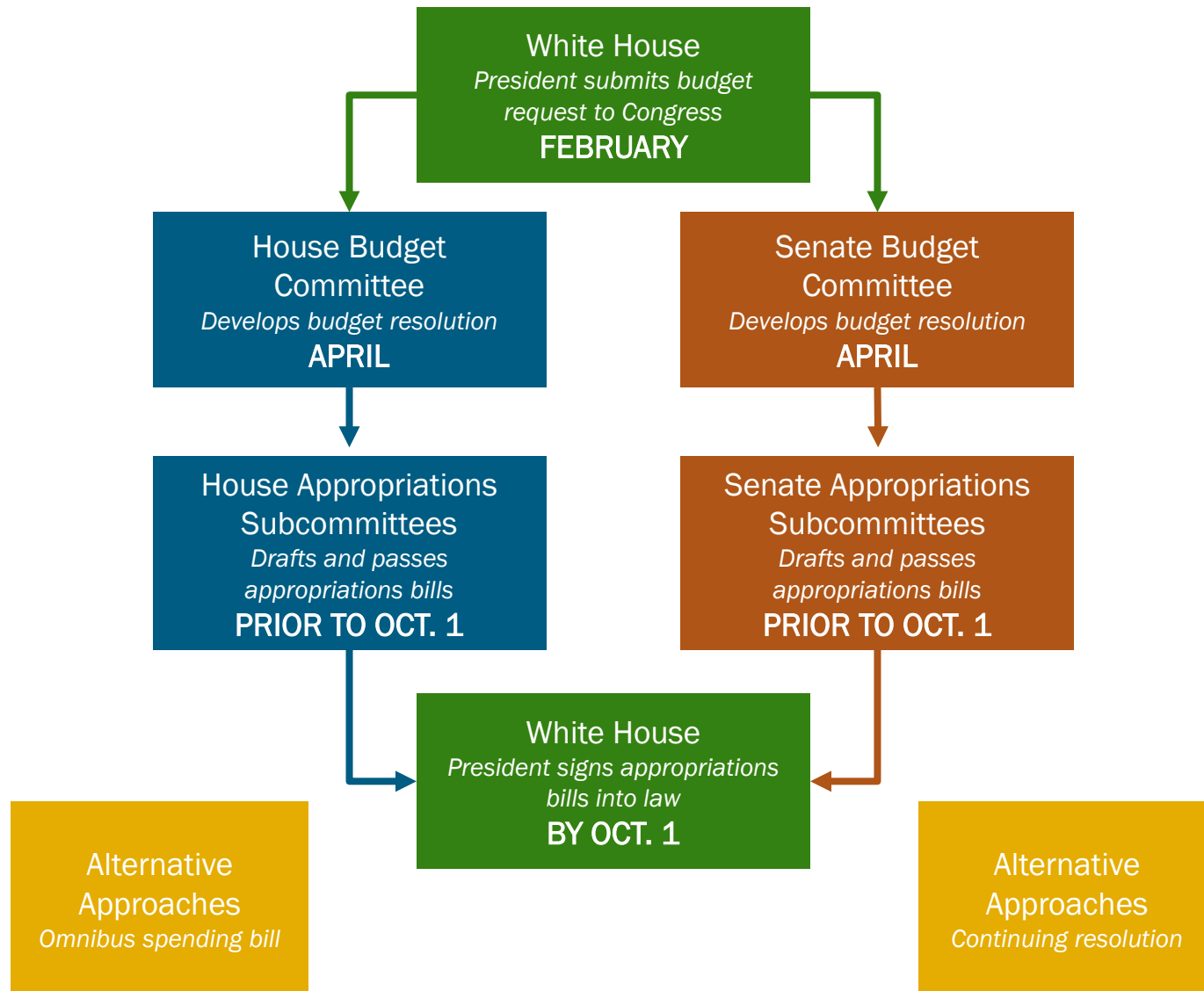
Module Two will help you understand budget timing and your grant awards.

SEP provides federal financial assistance and technical support to the States and Territories. This module outlines the budget process and financial assistance for annual formula grants and competitive awards.

- Federal Budget Process
- Where Funding Comes From and Where It Goes
- The “Formula” In the Formula Grant
- SEP Awards, Funding, and Application



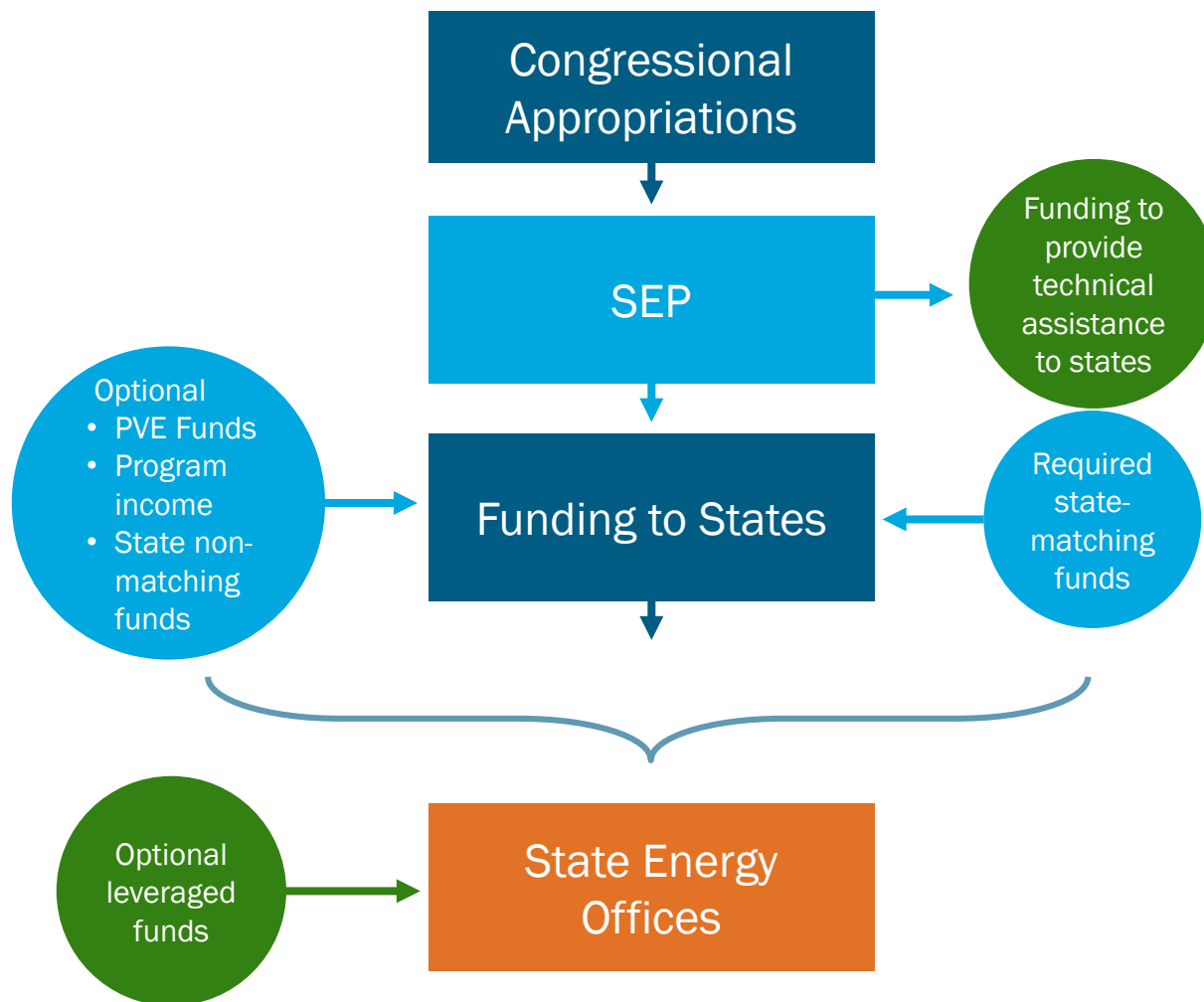
Overview Of The Federal Budget Process



Note: timing/dates are approximate

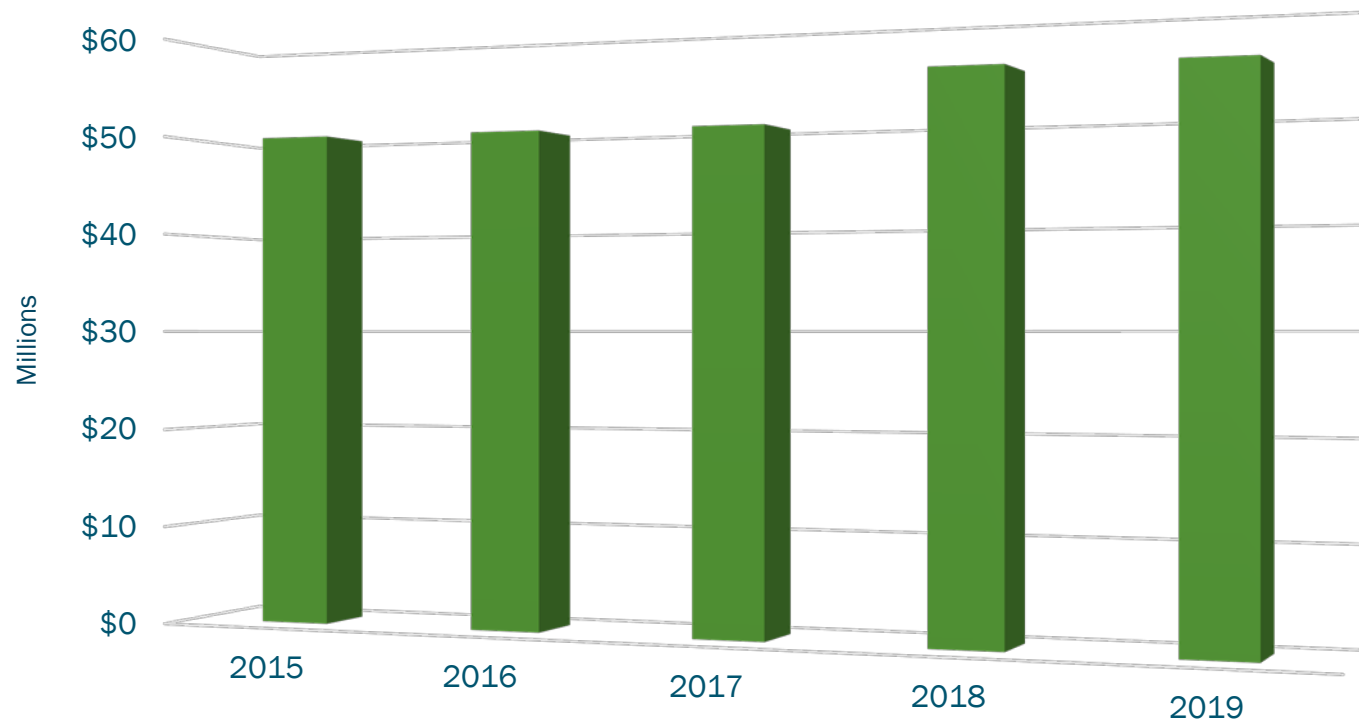
SEP Funding: Where It Comes From

SEP Funding and Results Diagram



History of SEP Funding

Fiscal Year (FY) 2015 – FY 2019



SEP Funding: Where It Goes

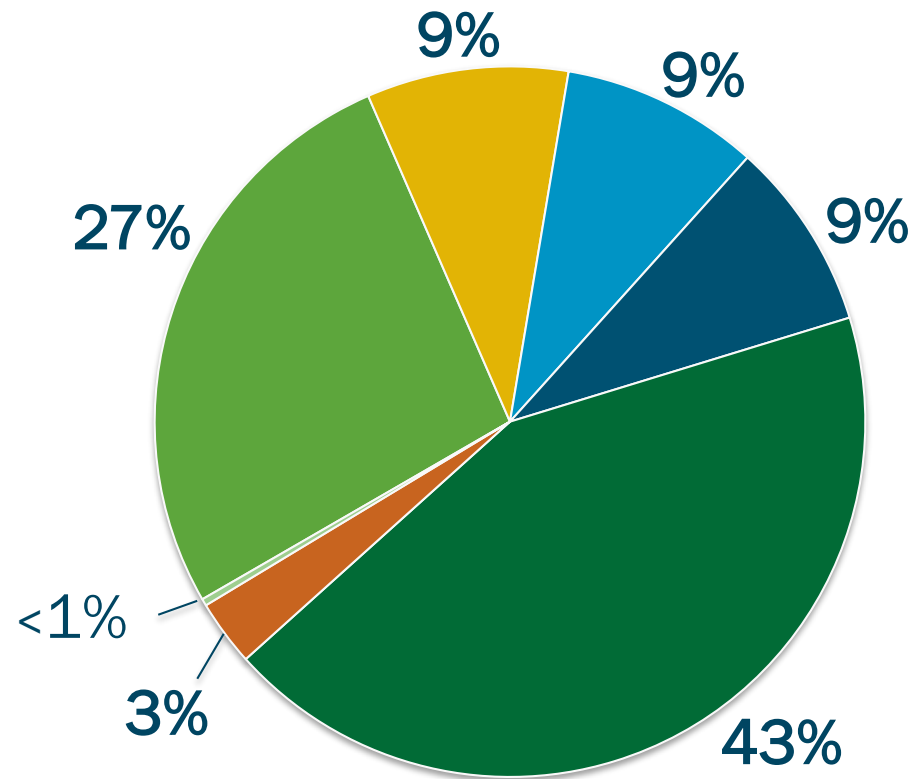


- ✓ Reduced energy waste in more than 21,000 buildings (58 million square feet)
- ✓ 22,000 renewable energy systems installed
- ✓ 580,000 people educated in energy efficiency and energy audits
- ✓ Energy savings performance contracts (ESPCs) executed for public facility retrofits
- ✓ Coordination with utilities to implement complementary efficiency programs
- ✓ Innovative pilot projects with the private sector, K-12 schools, and universities
- ✓ Implementation models for replicable programs that achieve energy efficiency savings

State Reported Metrics Program Years 2017 – 2019

Where States Are Spending Their Funding

- Buildings
- Electric Power and Ren. Energy
- Energy Education
- Industry
- Policy, Planning and Energy Sec.
- Transportation
- Energy Emergency and Resiliency Planning



Program Year 2018

FY vs. PY - Know The Difference

What is the difference between a Fiscal Year (FY) and a Program Year (PY)?

FY–Federal Cycle:

Start: October 1

End: September 30

October 1, 2019, will start FY20

PY–State-Selected Cycle:

Each state selects a 12-month budget period or PY, often corresponding with the state's FY.

The state's PY may start during, and can extend beyond, the federal FY.

(e.g., July 1, 2019–June 30, 2020)

What is the “Formula” in Formula Grants

The total annual formula funds available to the program are allocated to states according to the amount of money available:

Funds
equal
\$25.5 million:

Funds shall be allocated to the states according to Table 1 found in [10 CFR 420.11](#).

Funds
less than
\$25.5 million:

The base allocation funds for each state shall be reduced proportionally.

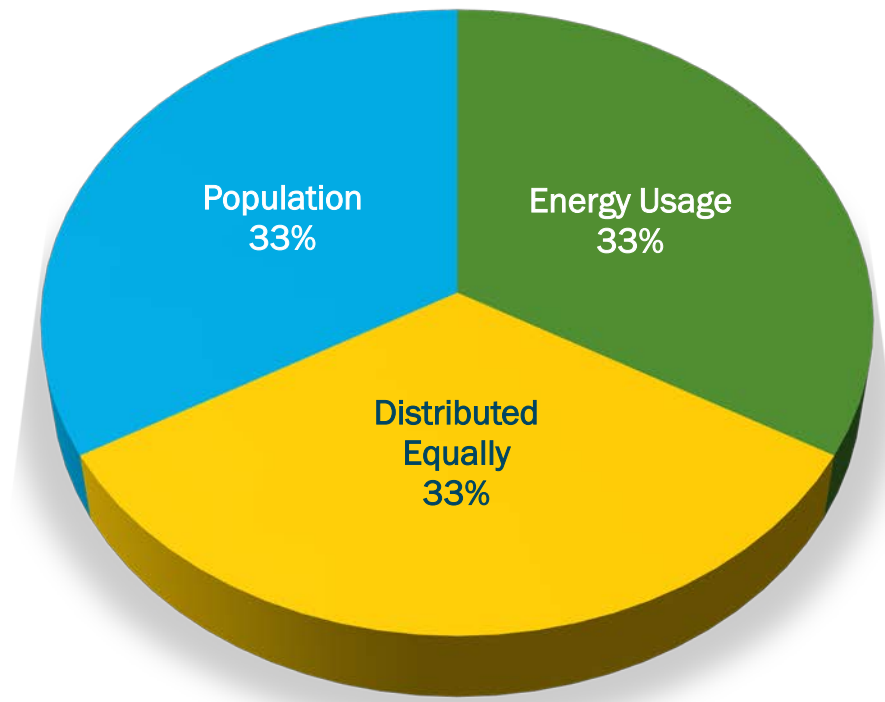
Funds
more than
\$25.5 million:

\$25.5 million shall be allocated as specified in [10 CFR 420.11](#); any funds in excess of \$25.5 million shall be allocated in thirds – next slide.

What is the “Formula” in Formula Grants

When the total annual formula funds available to the program is above \$25.5M, the funds above \$25.5M are distributed to the states according to the following formula.

SEP Formula



Formula Grant Application Deadlines

PY deadlines occur around the same time each year.
For your reference, PY 2019 deadlines are shown below.

State Program - Year End Date	Application Due Date
June 30, 2019	April 30, 2019
August 31, 2019	May 10, 2019
September 30, 2019	May 24, 2019

- Grantees must submit complete applications by the above deadlines.
- Late or incomplete applications will jeopardize issuance of awards prior to the start of the Grantees' Program Year.
- Early submission is highly encouraged.

Matching Requirement

States must contribute (cash, in-kind, or both) an amount no less than 20% of their total federal formula funds allocated each year.

- The 20% state-match requirement* must be met *each year*, not over the duration of the grant period. States must demonstrate and document the contribution (cash, in-kind or both) of an amount no less than 20% of every federal dollar that is spent each program year.
- Stripper Well funds and Diamond Shamrock funds can be used toward the required 20% cost match.
- Chevron, Warner Amendment, and Exxon funding cannot be used towards the required 20% cost match but can be budgeted within the SEP budget.

**American Samoa, Commonwealth of the Northern Mariana Islands, Guam, and the Virgin Islands are exempt from the 20% state-match requirement.*

SEP Formula Grant Awards

The U.S. Department of Energy's State Energy Program (SEP) provides funding and technical assistance to states, territories, and the District of Columbia to enhance energy security, advance state-led energy initiatives, and increase energy affordability, reliability, and resilience.

- SEP emphasizes the state's role as the decision-maker and administrator for program activities within the state that are tailored to their unique resources, delivery capacity, and energy
- States use SEP funds to address implementation and financing barriers to enable accelerated deployment of replicable, cost-effective, energy efficiency and renewable energy technologies.

Recent Activities:

- **Kentucky** launched the Performance Excellence in Electricity Renewal project. The Performance Excellence in Electricity Renewal project provided a measurable framework to evaluate power system resilience in Kentucky.
- **Ohio's** Energy Efficiency Program for Manufacturing provides Ohio manufacturers with tools to drive a sustainable energy-management program. This program helps Ohio companies reduce costs through lasting energy savings achieved in their manufacturing processes and improve the competitive position of program participants, relative to their worldwide market competitors.
- **Washington** developed the Center for Benchmarking Services, supporting efforts to benchmark energy use in public and private commercial buildings, better manage data collection, and analyze building performance data. The Center is a technical assistance resource for public building facility managers. Training specific to Portfolio Manager data entry, energy reduction strategies, best practices, and lessons learned is also provided.

SEP Competitive Awards

SEP has competitively awarded funding for projects through Funding Opportunity Announcements (FOAs). Competitive funding is designed to advance state/regional energy priorities by funding efforts to facilitate stakeholder and interagency discussions and related activities. These awards provide a substantial amount of funding to states to meaningfully participate in these efforts, develop solutions/model approaches, and to catalyze innovation. States with competitive awards:

- Focus on critical barriers to increased energy efficiency and renewable energy deployment and ensuring energy affordability across the country; and
- Tackle issues that are common to a number of states that would benefit from sharing lessons learned and best practices.

Recent Awards:

- **New Hampshire** is reducing electric energy use at over 20 municipally-owned wastewater treatment facilities (WWTFs) by an average of 33% through the use of educational workshops, benchmarking facility-specific energy use data, and one-on-one technical assistance.
- **Minnesota's** Local Government Energy Planning Project is helping local governments develop and implement actionable strategies for reducing energy consumption. The team has engaged local governments in the Twin Cities and across the state that have committed to long-term energy reductions.
- **Hawaii** is using existing high-resolution imagery and large-scale simulation data as a visualization tool to support discussions concerning Hawaii's current and forecasted energy future – including reliability, resiliency, and economic goals.

Summary Comparison Of SEP Awards

	SEP Formula	SEP Competitive
Application	Administrative and Legal Requirements Document (ALRD) (Non-Competitive)	Competitive (Funding Opportunity Announcement) FOA Process
Contractual Vehicle	Grant	Cooperative agreement
Legal Authorities	10 CFR Part 420 , Subpart B	10 CFR Part 420 , Subpart C
Recipient	Single state grantees only	Single and multi-state applicants
Scope	Single state emphasis	Single, multi-, or regionally focused
Duration / Fund Distribution	Award duration: 3 years Allocation annually	Award duration: 2-3 years Single allocation
Historical Funding Amount (based on \$50M to \$55M SEP total budget)	<ul style="list-style-type: none"> • \$39M (FY15–FY17) to \$49M (FY18–FY19) • Formula based on population and energy consumption • 20% cost match required (most awards) 	<ul style="list-style-type: none"> • \$5M total • Single state: \$100k - \$300k • Multi-state: \$300k - \$500k • 12-18 awards per year • 20% cost match required
Topics	Determined by states in accordance with 10 CFR 420	States select topics within broad categories (e.g., planning, financing, local government partnerships, benchmarking)

Thank You

If you have any questions, please contact your DOE Project Officer.

Next training module: **#3 ROLES & RESPONSIBILITIES**

